

## Message Text

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PAGE 01 THE HA 03955 050544Z  
ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AID-05 CIAE-00 COME-00  
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 CEA-01 EA-07  
NEA-10 AGRE-00 SS-15 L-03 H-01 /105 W  
-----102221 060903Z/15

R 041417Z AUG 77

FM AMEMBASSY THE HAGUE  
TO SECSTATE WASHDC 966  
INFO AMEMBSSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY GENEVA  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMPASSY PARIS  
AMEMBASSY ROME

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ALSO FOR USEEC ANDUSOECD FOR INFO

E.O. 11652: N/A  
TAGS: EFIN,PORT NL  
SUBJ: CONTINUING DUTCH INTEREST IN ACTIVATING FINANCIAL SUPPORT FUND

REF: TH HAGUE 3942

1. DURING AUGUST 3 EXCHANGE OF INFORMATION ON LOAN ARRANGEMENTS FOR PORTUGAL RANNER OF FINANCE MINISTRY TOLD E/C COUNSELOR THAT, SINCE WITTEVEEN FUND IS NEARING COMPLETION AND HAS NOT ACHIEVED DESIRED TARGET, DUTCH HOPE USG AND OTHERS WILL NOW FAVOR ACTIVATINGOECD FINANCIAL SUPPORT FUND (FSF)  
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BECAUSE IT COULD BE VERY USEFUL IN SETTING GENERAL FRAMEWORK TO HELP MEMBER COUNTRIES FACING BALANCE OF PAYMENTS PROBLEMS, SUCH AS PORTUGAL, POSSIBLYTURKEY, AND ITALY, WHILE PERMTTING OECD TO LAY DOWN AMELIORATIVE CODITIONS THAT COULD BE MADE FAR MORE EFFECTIVE THAN AD HOC BILATERAL ARARANGEMENTS. AT SAME TIME, HE SAID, FUNDING OF GENERAL FSF WOULD BE FAR EASIER FOR DUTCH TO ARRANGE THAN HAVING TO GO THROUGH INTRA-GOVERNMENTAL

BATTLE OF FUNDING EACH AD HOC LOAN PROGRM, INCLUDING OVERCOMING TENDENCIES OF SOME MINISTRIES TO WANT TO TIE BP LOAN. HE ADDED THAT AD HOC ARRANVEMENTS ALSO TEND TO "OVER POLITICIZE" THE PROBLEMS OF ARRANGEING FUNDS AND CITED POSSIBLE FUTURE BALANCE OF PAYMENTS MEEDS OF TURKEY AS SUBJECT THAT MIGHT GENERATE CONTENTIOUS DEBATE IF HANDLED ON AN AD HOC BASIS. HE NOED THAT DUTCH HAD FOUND THAT EVEN EC ARRANGEMENTS TO HELP ITALY HAD NOT BEEN VERY EFFECTIVE IN LAYING DOWN AND ENFORCING AMELIORATIVE CONDITIONS. WHILE AGREEING THAT IMF CAN PLAY THE ROLE OF ENFORCER, HE SAID DUTCH BELIEVE OECD MIGHT ALSO BE AN EFFECTIE ALLAY OF AND EVEN A POSSIBLE SUBSTITUTE FOR IMF IN HELPING TO BRING ABOUT AMELIORATIVE ACTIONS BY BP BORROWERS.

2. COMMENT: DUTCH OBVIOUSLY ARE GOING TO CONTINUE TO PRESS FOR ACTIVATION OF FSF. THEEFORE IT WOULD BE USEFUL TO HAVE CURENT READING ON USG POSITION REGARDING FSF AS WELL AS GUIDANCE ON WHAT IF ANYTHING WE SHOULD SAY TO DUTCH OFFICIALS ABOUT FSF.  
BROWN

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, FOREIGN ASSISTANCE, LOANS  
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**Copy:** SINGLE  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Litigation History:**  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 1705374  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONTINUING DUTCH INTEREST IN ACTIVATING FINANCIAL SUPPORT FUND  
**TAGS:** EFIN, PORG, NL, PO  
**To:** STATE USEEC MULTIPLE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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